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SERVICE DATE - JUNE 29, 2001

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33982]

Gulf & Ohio Railways Holding Co., Inc., H. Peter Claussen and Linda C.

Claussen—Continuance in Control Exemption—Three Notch Railroad Co., Inc.

Gulf & Ohio Railways Holding Co., Inc. (GORH), a noncarrier, and H. Peter and Linda C. Claussen (Claussens), have filed a notice of exemption to continue in control of Three Notch Railroad Co., Inc. (TNR), upon TNR's becoming a carrier.

The transaction was scheduled to be consummated on or shortly after June 8, 2001, the effective date of the exemption.

This transaction is related to STB Finance Docket No. 33981, Three Notch Railroad Co., Inc.—Acquisition, Lease and Operation Exemption—Alabama & Florida Railway Company, wherein TNR seeks to acquire, lease and operate a rail line from Alabama & Florida Railway Company.

At the time it filed this notice, GORH owned and controlled seven existing Class III rail carriers: Gulf & Ohio Railways, Inc., which operates in Northwestern Mississippi under the trade name Mississippi Delta Railroad (MSDR);¹ Knoxville & Holston River

¹ The line is the subject of a petition for exemption in County of Coahoma, Mississippi—Abandonment Exemption—in Tallahatchie and Coahoma Counties, MS, STB Docket No. AB-579X, and Gulf & Ohio Railways, Inc., d/b/a Mississippi Delta Railroad—Discontinuance of Service Exemption—in Tallahatchie and Coahoma Counties, MS, STB Docket No. AB-580X, that was granted by the Board by decision served

(continued...)

Railroad Co., Inc., which operates in East Tennessee; Laurinburg & Southern Railroad Co., Inc., which operates in North Carolina; Lexington & Ohio Railroad Co., Inc., which operates in North Central Kentucky; Piedmont & Atlantic Railroad, Inc., which operates in Northwestern North Carolina under the trade name of Yadkin Valley Railroad; Rocky Mount & Western Railroad Co., Inc., which operates in Central North Carolina; and Wiregrass Central Railroad Company, Inc., which operates in Southeastern Alabama. Claussens, who wholly own GORH, also own and control H&S Railroad, Inc., which operates in Alabama.

GORH and the Claussens state that: (1) the railroads do not connect with each other or any railroad in their corporate family; (2) the continuance-in-control is not part of a series of anticipated transactions that would connect the eight railroads with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

¹(...continued)

June 15, 2001. In that decision, the Board approved the abandonment and discontinuance of service over the County of Coahoma's 51.06-mile rail line consisting of: (1) the 18.6-mile Lula Segment between milepost 55.40 near Lula and milepost 74.00 near Lyon, MS; and (2) the 32.46-mile Swan Lake Line between milepost 74.00 near Lyon and milepost 79.00 near Clarksdale, MS, and between milepost 76.54 near Clarksdale and milepost 104.00 at Swan Lake. The Board also approved the discontinuance of both incidental overhead trackage rights and the lease operating rights over 1.39 miles of an Illinois Central Railroad Company (IC) rail line between milepost 104.00 and the connection with IC's main line at milepost 105.39. This discontinuance involves MS DR's entire railroad operation.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33982, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Troy W. Garris, Weiner Brodsky Sidman & Kider, PC, 1300 19th Street, N.W., Fifth Floor, Washington, DC 20036-1609.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: June 22, 2001.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary